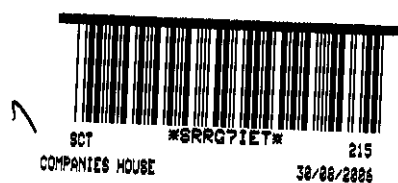


**CENTROS MILLER
(PONTYPOOL) LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2005



Company no 4647513

CENTROS MILLER (PONTYPOOL) LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2005

Company registration number: 4647513

Registered office: C/o Miller Developments Limited
28 Dover Street
LONDON
W1S 4NA

Directors: Mr J F Laker
Mr P H Miller
Mr D T Milloy

Secretary: Mrs P J Smyth

Bankers: The Royal Bank of Scotland
5-10 Great Tower Street
LONDON
EC3P 3HX

Solicitors: Lawrence Graham
190 Strand
LONDON
WC2R 1JN

Auditors: KPMG LLP
Level 3
Saltire Court
20 Castle Terrace
Edinburgh
Midlothian
EH1 2EG

CENTROS MILLER (PONTYPOOL) LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2005

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CENTROS MILLER (PONTYPOOL) LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the financial statements for the year ended 31 December 2005.

Principal activity

The principal activity of the company is that of property development.

Business review

The directors are satisfied with the performance of the company during the year and with its position at the year end.

There was a profit for the year of £59,082 (2004: £2,156,993).

Dividends

No dividends were paid during the year (2004: *interim dividend paid of £2,000,000*). The directors do not recommend the payment of a dividend for the year ended 31 December 2005.

Directors

The membership of the Board during the year is set out below.

Mr J F Laker	
Mr P H Miller	
Mr S Frost	(resigned 18 March 2005)
Mr D A Lewis	(resigned 5 February 2005)
Mr D T Milloy	(appointed 18 March 2005)
Mrs J M Jackson	(appointed alternate director 18 March 2005 and resigned 25 August 2005)
Mrs M Wood	(appointed alternate director 18 March 2005)
Mr F M Hewett	(appointed alternate director 25 August 2005)

None of the directors had an interest in the shares of this company. The interests of the directors who are also directors of the parent undertaking are disclosed in that company's financial statements.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company will be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD



Mrs P J Smyth
Secretary

25 August 2006

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CENTROS MILLER (PONTYPOOL) LIMITED

We have audited the financial statements of Centros Miller (Pontypool) Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Edinburgh

*Chartered Accountants
Registered Auditor*

25 August 2006

CENTROS MILLER (PONTYPOOL) LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 2005

	<i>Note</i>	2005 £	2004 £
Turnover	<i>1</i>	-	11,460,200
Cost of sales		-	(11,959,577)
Gross loss		-	(499,377)
Other operating income		-	2,649,700
Administrative expenses		(131)	(341)
Operating (loss)/profit		(131)	2,149,982
Interest receivable	<i>2</i>	59,213	7,011
Profit on ordinary activities before taxation	<i>1</i>	59,082	2,156,993
Tax on profit on ordinary activities	<i>4</i>	-	-
Profit for the financial year	<i>9</i>	59,082	2,156,993

There were no recognised gains or losses other than the profit for the current and previous financial years.

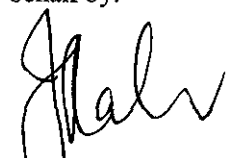
The accompanying accounting policies and notes form an integral part of these financial statements.

CENTROS MILLER (PONTYPOOL) LIMITED


BALANCE SHEET AT 31 DECEMBER 2005

	<i>Note</i>	2005	2004
Current assets			
Debtors	5	667,141	216,498
Cash		<u>1,125,034</u>	<u>3,730,186</u>
		1,792,175	3,946,684
Creditors: amounts falling due within one year	6	<u>(1,578,099)</u>	<u>(3,791,690)</u>
Net assets		<u><u>214,076</u></u>	<u>154,994</u>
Capital and reserves			
Called up share capital	7	1	1
Profit and loss account	8	<u>214,075</u>	<u>154,993</u>
Shareholders' funds	9	<u><u>214,076</u></u>	<u>154,994</u>

The financial statements were approved by the Board of Directors on 25 August 2006 and are signed on its behalf by:


J F Laker

Directors


P H Miller

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements except as noted below.

In these financial statements the following new standards have been adopted for the first time:

- FRS 21 'Events after the balance sheet date';
- FRS 28 'Corresponding amounts'.

The accounting policies under these new standards are set out below together with an indication of the effects of their adoption. FRS 28 'Corresponding amounts' had had no material effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985. FRS 21 has no effect on the financial statements.

The financial statements have been prepared under the historical cost convention.

TURNOVER

Turnover is the total amount receivable by the company for rental income and the sale of properties, excluding VAT and trade discounts.

GRANTS

Revenue based grant income is credited to other income in the period in which the related expenditure is incurred.

LAND AND DEVELOPMENT WORK IN PROGRESS

Profit is recognised on property developments when the conditions on the contract for sale have been met.

Land and development work in progress are stated at the lower of cost and net realisable value. Full provision is made for all known or expected losses at completion immediately such losses are forecast on each development.

TAXATION

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

CENTROS MILLER (PONTYPOOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit on ordinary activities before taxation are attributable to the development of property for resale.

The profit on ordinary activities before taxation is stated after:

	2005 £	2004 £
Auditors' remuneration	-	-
Grant income received	-	2,649,700

All audit fees are paid by the company's parent company, Centros Miller 1999 Limited.

2 INTEREST RECEIVABLE

	2005 £	2004 £
Bank interest received	41,558	7,011
Other interest received	17,655	-
Total interest	59,213	7,011

3 DIRECTORS AND EMPLOYEES

There were no staff during the period except the directors. No remuneration was receivable by the directors during the period.

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2005 £	2004 £
Corporation tax for the year	-	-

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 30%. The differences are explained as follows:

	2005 £	2004 £
Profit on ordinary activities before tax	59,082	2,156,993
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30%	17,725	647,098
Effect of:		
Brought forward provision allowed for tax	(30,000)	-
Group relief for no consideration	12,275	(647,098)
Current tax charge for the period	-	-

CENTROS MILLER (PONTYPOOL) LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2005

Notes (continued)**4 TAX ON PROFIT ON ORDINARY ACTIVITIES**

The company's liability to corporation tax will be covered by way of group relief or met by Centros Miller Holdings Limited, for which no payment will be made.

5 DEBTORS

	2005 £	2004 £
Amount owed to group undertakings	22,348	-
Other debtors	407,355	133,977
Trade debtors	<u>237,438</u>	<u>82,521</u>
	<u>667,141</u>	<u>216,498</u>

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Amounts owed to group undertakings	1,563,559	3,157,558
Other creditors	-	374,205
Accruals and deferred income	<u>14,540</u>	<u>259,927</u>
	<u>1,578,099</u>	<u>3,791,690</u>

7 SHARE CAPITAL

	2005 £	2004 £
Authorised 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid 1 ordinary share of £1	<u>1</u>	<u>1</u>

8 PROFIT AND LOSS ACCOUNT

	2005 £
At 1 January 2005	154,993
Profit for the year	59,082
At 31 December 2005	<u>214,075</u>

CENTROS MILLER (PONTYPOOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

Notes (continued)

9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
Shareholders' funds at the start of the year	154,994	(1,999)
Profit for the financial year	59,082	2,156,993
Interim dividend paid	-	(2,000,000)
	<hr/>	<hr/>
Shareholders' funds at the end of the year	<u>214,076</u>	<u>154,994</u>

10 TRANSACTIONS WITH RELATED PARTIES

As a wholly owned subsidiary of Centros Miller Holdings Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Centros Miller Holdings Limited.

11 ULTIMATE CONTROLLING PARTY

Centros Miller 1999 Limited is the company's controlling related party by virtue of its majority shareholding. The ultimate parent undertaking of Centros Miller 1999 Limited is Centros Miller Holdings Limited, incorporated in Scotland. The ownership of Centros Miller Holdings Limited is disclosed in that company's financial statements.

The largest group of undertakings for which group accounts have been drawn up is that headed by Centros Miller Holdings Limited, and the smallest such group of undertakings, including the company, is that headed by Centros Miller 1999 Limited, incorporated in Scotland. Copies of these companies accounts may be obtained from Companies House, 37 Castle Terrace, Edinburgh EH1 2EB.